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California's Property Tax Postponement Program – An Important Benefit for You

by Betty T. Yee

California's Property Tax Postponement Program allows senior, blind, and disabled homeowners with limited incomes the opportunity to delay paying part or all of the property taxes on their homes. This program can help you by deferring, but not eliminating, your property tax obligations. Here are some frequently asked questions regarding this program and information about how to apply:

Q: Who is eligible for property tax postponement?

A: Generally, California homeowners are eligible if they are 62 years or older, blind, or disabled; have household incomes of \$24,000 or less; and have at least 20% equity in their home.

Q: What is the definition of "household income?"

A: Household income is the total income received by all persons living in your home during the year, except minors, full-time students, and renters. This includes, but is not limited to: Social Security benefits, annuities, bonuses, cash gifts, disability payments, amounts you inherit, interest and dividends, life insurance benefits, net profit from a business, net rental income, pensions, public assistance, retirement benefits, tips, unemployment benefits, and wages.

Q: Must I live in my own home?

A: Yes, the home for which you are applying for postponement of property taxes must be your principal residence.

Q: How do I apply for property tax postponement?

A: You must submit a completed application to the California State Controller's Office (SCO) for each year you wish to participate in the program. If your application is approved, the SCO will issue certificates to you that you may use to pay all or part of your property taxes. The SCO will then set up an account for you and keep track of the taxes postponed.

Q: When does the postponed taxes and interest need to be repaid?

A: The postponed taxes must be repaid with interest to the SCO if you: move out; sell or transfer your home; allow future property taxes or other liens to become delinquent; or die leaving no spouse, registered domestic partner, or other qualified individual residing in the home. However, you may make a payment to the SCO in any amount, at any time, to reduce your account balance. For purposes of property tax postponement, domestic partnership means you have a California domestic partnership registered with the California Secretary of State.

Q: If I participate in the tax postponement program and then die, can my surviving spouse or domestic partner continue in the program?

A: Yes, your surviving spouse or registered domestic partner may continue to participate in the program as long as he or she meets the basic eligibility requirements and continues to reside in the home. Even if your surviving spouse or registered domestic partner is not eligible to participate in the program, they will not have to repay the postponed taxes as long as they continue to live in the home.

Q: Will I have a lien placed on my home for the taxes that are postponed?

A: Yes, the SCO will place a security document (or lien) on your home to protect the State's interest and to ensure eventual recovery of the taxes the State has paid on your behalf.

Q: Will the State take title to my home?

A: No, title to your home remains with you. The State's lien on your home is only for the amount of taxes postponed plus interest.

Q: When is the filing period?

A: The filing period for postponement of property taxes is from May 15 through December 10 each year. You should contact the SCO if you will be unable to file by December 10. Depending on your circumstances, you may qualify for a filing extension. However, it is advisable to apply for postponement early in the filing period.

Q: Can I qualify for property tax postponement if I already receive Homeowner Assistance from the Franchise Tax Board?

A: Yes. The Homeowner Assistance Program is a separate program administered by the Franchise Tax Board (FTB). The SCO encourages participation in the Homeowner Assistance Program, because any assistance you receive will be automatically credited to your account with the SCO and will reduce the amount of your property tax postponement lien.

To obtain a Homeowner Assistance claim form, contact FTB at 1-800-868-4171, or visit:

www.ftb.ca.gov.

Available Resources:

The SCO has knowledgeable staff available to explain the Property Tax Postponement Program to you, answer any questions you may have, and send you an application. There are several ways to contact the SCO:

- You may call the SCO toll-free at 1-800-952-5661.
- You may also send an email to postponement@sco.ca.gov.
- You may also write to the SCO at the following address:

State Controller's Office
Division of Collections
Property Tax Postponement Program
P.O. Box 942850
Sacramento, CA 94250-5880